

**Listing of Claims**

1. (Currently Amended) A method for producing paper pulp for use in the making of paper from eucalyptus wood chips, comprising in the steps of:
  - a) inoculating the wood chips with white rot ~~fungi~~ fungus which is *Phanerochaete chrysosporium*;
  - b) fermenting the wood chips so as to cause a propagation of the fungus through the wood chips and allow the fungus to modify lignin; and
  - c) pulping of the degraded wood chips by a known kraft process.
2. (Original) A method as claimed in claim 1 together with the further step of bleaching the kraft pulp by a known multistage bleaching process.
3. Cancelled
4. (Original) A method as claimed in claim 1 wherein the fermentation step is a static fermentation step.
- 5-11. ~~Orig.~~ Cancelled
12. (Original) A method as claimed in claim 1 wherein the wood chips are inoculated with the fungus and without nutrients.
13. (Original) A method as claimed in claim 1 wherein the wood chips are inoculated with the fungus and known nutrients.
14. (Original) A method as claimed in claim 1 wherein the moisture content of the chips prior to the step of inoculation is kept at fibre saturation point or greater.
15. (Original) A method as claimed in claim 1 wherein said moisture content is 50-55% of the total wood based on a wet weight of the chips.

16. (Original) A method as claimed in claim 1 wherein the wood chips are inoculated with 1 to 5 gms inoculum/ton of wood.
17. (Original) A method as claimed in claim 1 wherein the moisture content in the wood during the step of fermentation is 55-65%.
- 18.-19. Cancelled.